

DRAFT

TUCSON AMA SAFE-YIELD TASK FORCE ISSUE OUTLINE 5/10/00

ISSUE: COST-EFFECTIVENESS OF CONSERVATION EFFORTS

There is a need to evaluate and determine the most cost-effective way of achieving water conservation. In addition, there are questions about whether the conservation programs in the management plans have received adequate economic analysis to ensure that they meet the statutory standards for each sector.

BACKGROUND

There has been substantial discussion about whether investments made in conservation are cost-effective. There is a need for better economic analysis of follow-up data after implementation of programs, so that adequate analysis of both provider and end-user benefits can be done. Individual providers may not be in a position to do an analysis to evaluate which conservation programs should be implemented in their service area. The Auditor General's report indicated that ADWR should have an economist on staff who could evaluate the economic implications of potential regulations. There are numerous research needs relative to evaluating programs and identifying the proper type of program to implement for individual providers.

This approach could be useful whether or not there is a shift to directly regulate "end users" in the municipal program.

SOLUTIONS CONSIDERED

The following ideas have been considered. Additional ideas may be added to this list.

- ADWR could provide individualized assistance to providers regarding improving the conservation message in rate structures, selecting the most effective conservation programs, and getting access to renewable supplies.
- More money should be available for research on effectiveness of conservation programs.
- ADWR should evaluate future regulations and requirements using a more thorough economic analysis.
- Evaluate whether safe-yield can be reached more effectively through other means (e.g. recharge rather than education or rebates, etc.).
- Evaluate how much is a "reasonable amount" to pay for each acre-foot saved through conservation programs.

PRELIMINARY RECOMMENDATIONS

- ADWR should evaluate future conservation programs for cost-effectiveness as part of a regional, coordinated approach. An evaluation of whether water management goals can be more efficiently reached through measures other than conservation should be included.